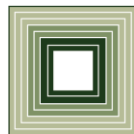


Department of Environment and Natural Resources Overview



February 22, 2012



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Today's Agenda

- DENR Budget Overview
- Division Overviews
 - Missions/Programs
 - Budget Information
- Division of Waste Management Overview

DENR Mission & Major Functions

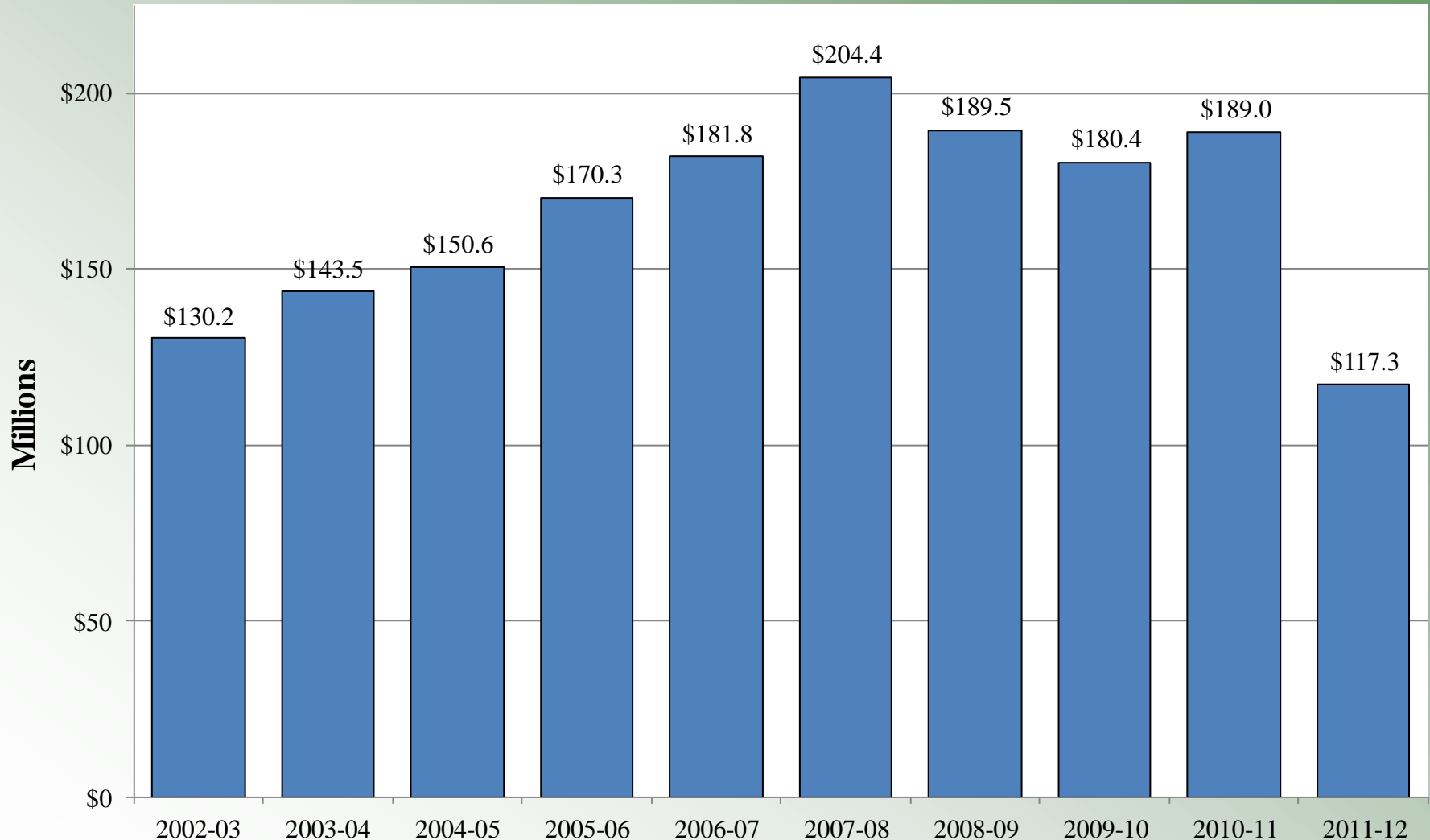
To **conserve and protect** North Carolina's **natural resources** and to maintain an **environment of high quality** by providing valuable services that consistently support and benefit the health and economic well-being of all citizens of our state.

- Administration
- Special Programs
 - State Revolving Funds
- Natural Resources
 - Conservation Trust Funds
- Environmental Protection/Regulation

DENR: Budget Fast Facts

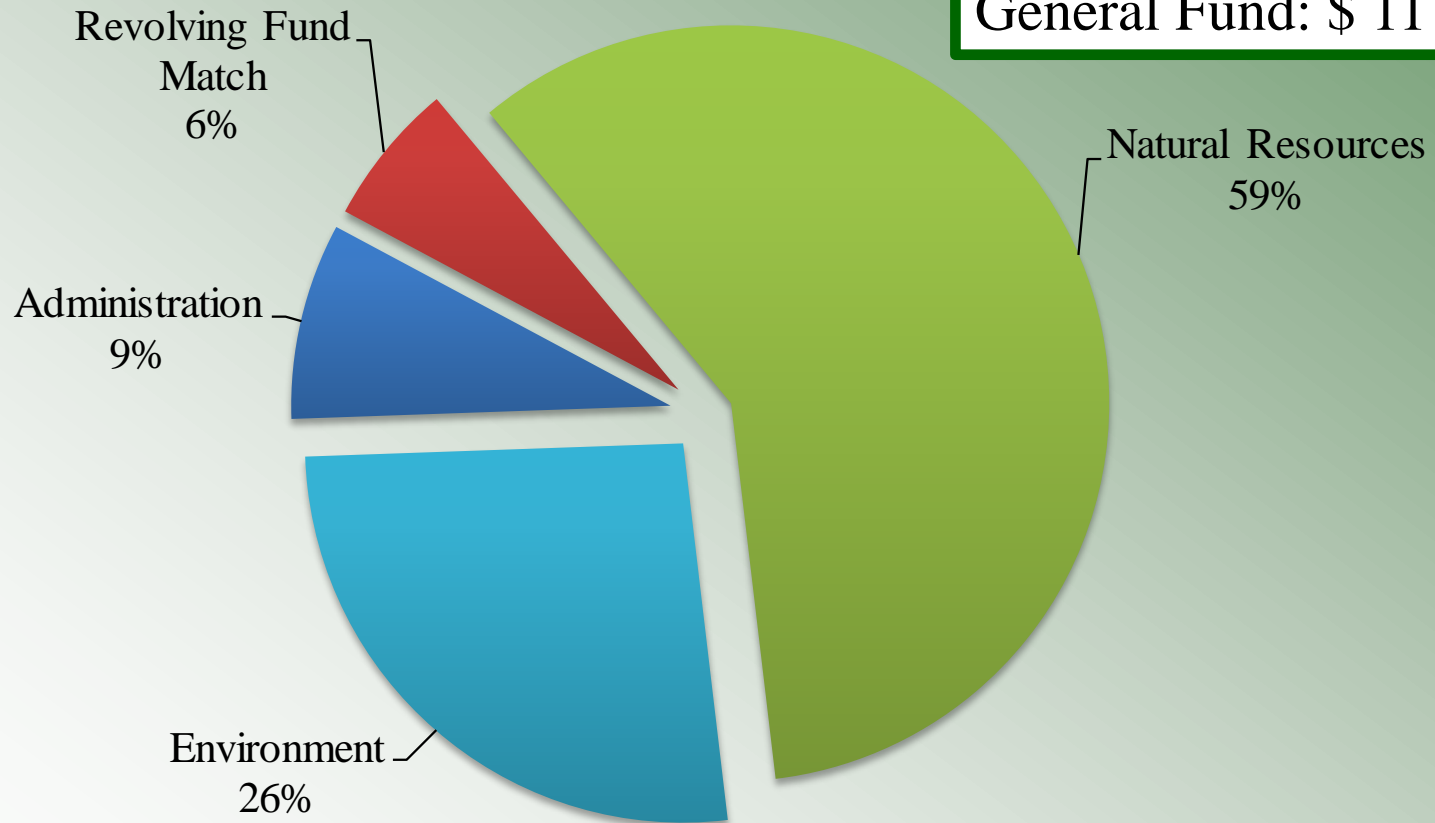
	Expenditures	Receipts	General Fund Appropriation
Administration	\$ 17	\$ 7	\$ 10
Revolving Fund Match	\$ 7	\$ 0	\$ 7
Natural Resources	\$ 187	\$ 119	\$ 69
Conserv. Trust Funds	\$ 48	\$ 25	\$ 0
Environment	\$ 148	\$ 114	\$ 31
Total	\$ 407	\$ 265	\$ 117

Historical Appropriations to DENR



DENR

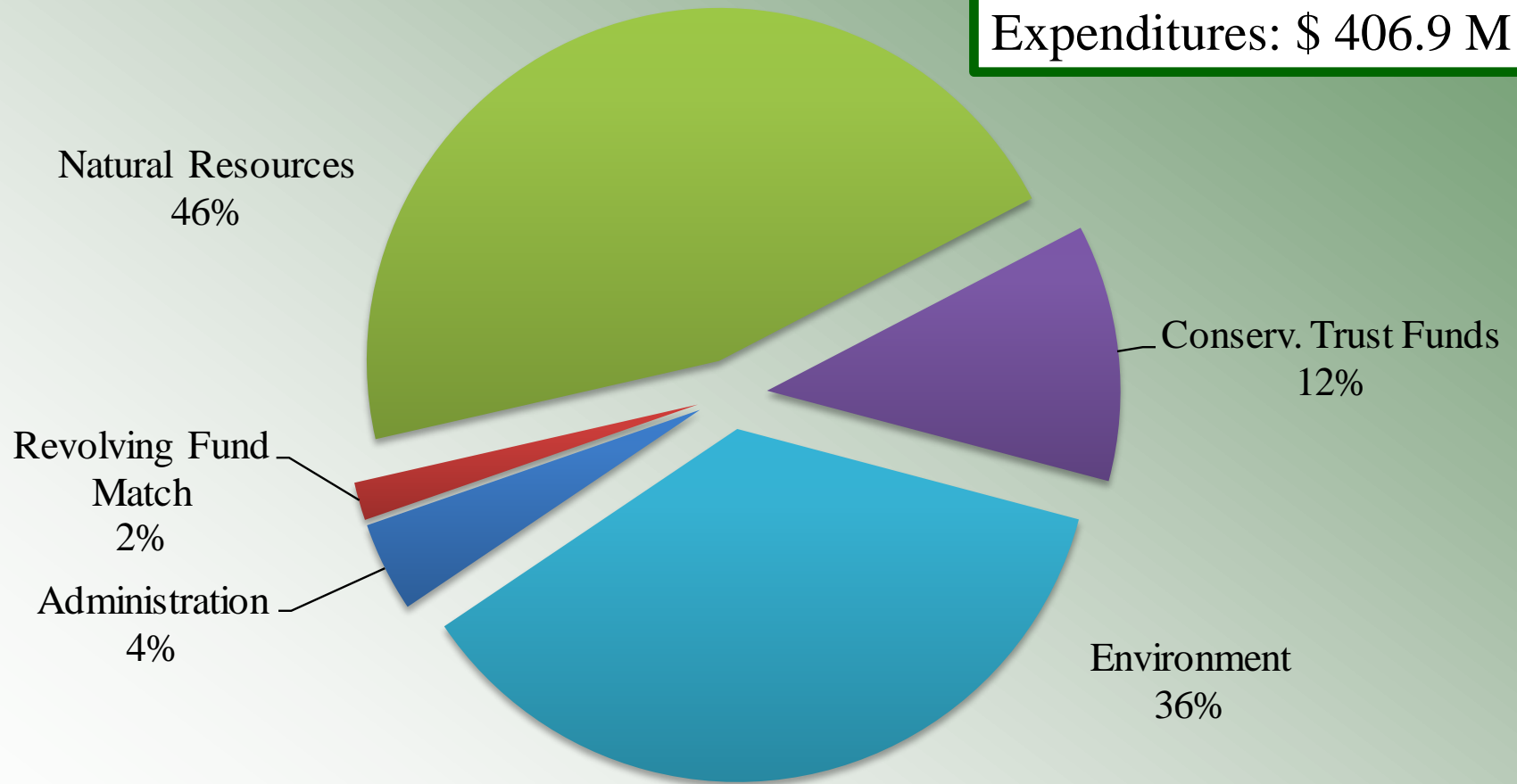
FY 2011-12 General Fund Appropriations



DENR

FY 2011-12 Total Expenditures

FY 2011-12
Expenditures: \$ 406.9 M

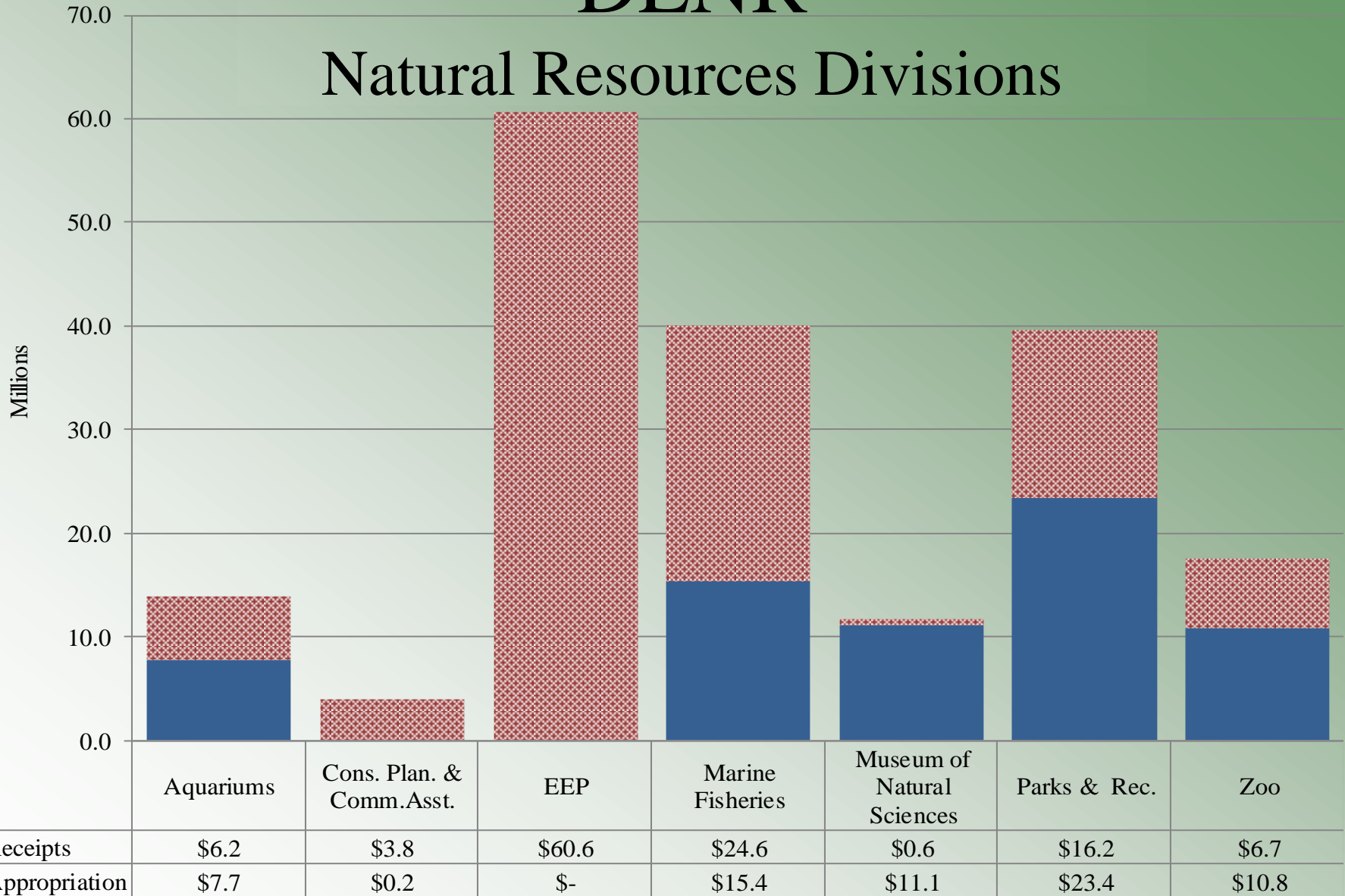


NATURAL RESOURCES



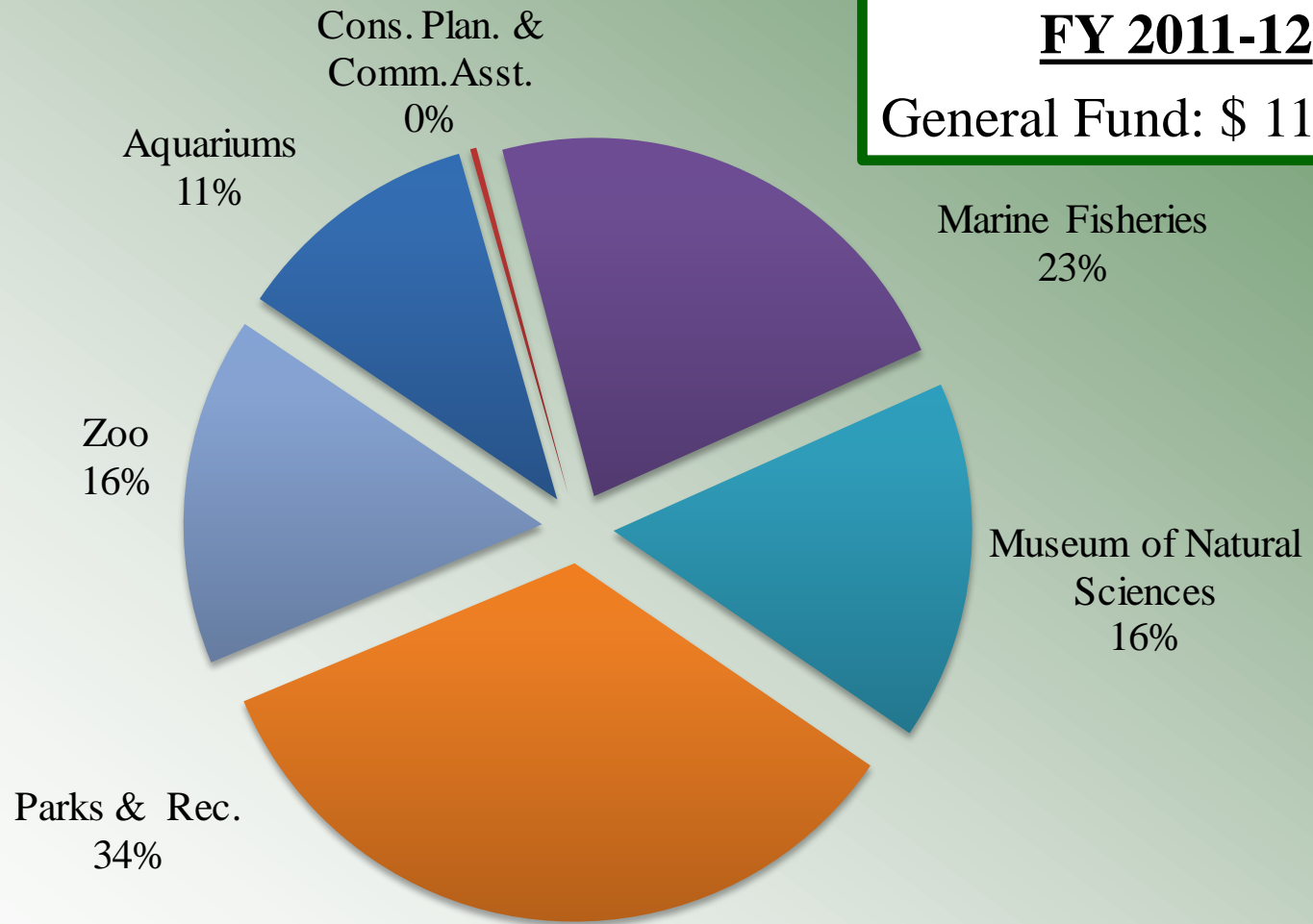
DENR

Natural Resources Divisions



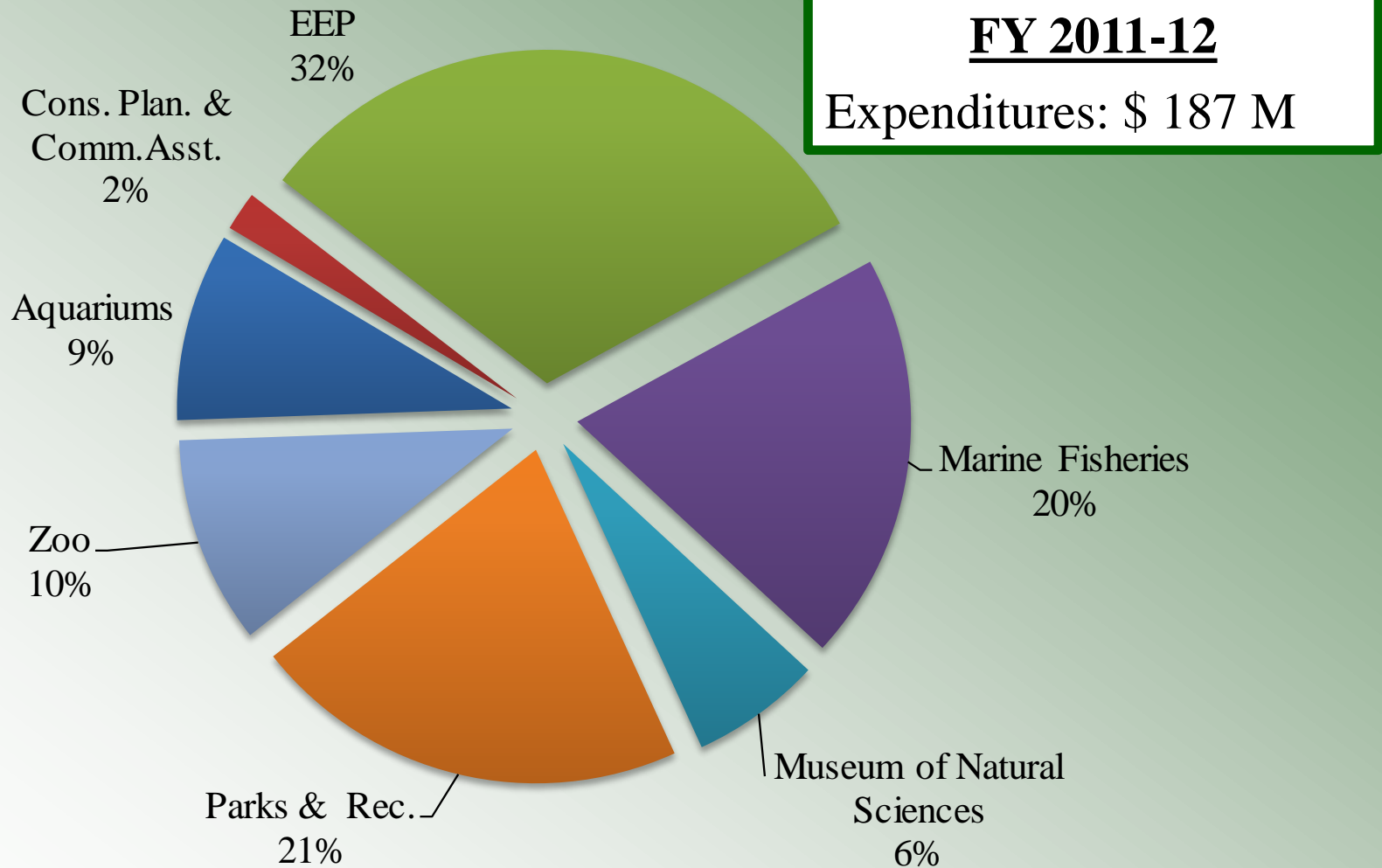
DENR - Natural Resources

FY 2011-12 Appropriation by Division



DENR - Natural Resources

FY 2010-11 Expenditures by Division



Aquariums



- 3 Aquariums and 1 Fishing Pier
- Over 1 million visitors annually
- Aquariums Special Fund
 - G.S. 143B-289.44
- Primarily operated with General Fund appropriations
 - Fees support special events & activities
 - Fees will support operations of the fishing pier

Primary Operating Budget

FY 2011-12

Expenditures: \$ 17 M

Appropriation: \$ 7.7 M

Office of Conservation Planning & Community Assistance

- Consolidated in FY 2009-10
- Administered within the Secretary's Office
- Assist and provide information on the State's important natural areas and conservation priorities
 - Inventory and prioritizes natural heritage sites
 - Assist with conservation programs, policies, and practices
- Administration of:
 - Conservation Grant Endowment Fund
 - Sustainable Communities Task Force

FY 2011-12

Expenditures:	\$ 3.5
Revenue:	\$ 3.8 M
General Fund:	\$ 194 K

Ecosystem Enhancement Program (EEP)

- Provide ecologically effective compensatory mitigation in advance of permitted impacts
 - Non-regulatory, helps NC comply with state & federal laws
- Four Programs:
 - NCDOT Stream & Wetland
 - Statewide Stream & Wetland
 - Riparian Buffer Mitigation
 - Nutrient Offset

FY 2011-12

Total Expenditures: \$ 59.1 M

Total Revenue: \$ 60.6 M

*Revenues generated by
fees for services*

Marine Fisheries

- Major Sections

- License & Statistics
- Fisheries Management
- Marine Patrol
- Resource Enhancement
- Habitat Protection
- Shellfish Sanitation & Recreational Water Quality*

FY 2011-12

Total Expenditures:	\$ 37.1 M
Total Revenue:	\$ 24.6 M
General Fund:	\$ 15.4 M

- Marine Resources Funds

- 1 special fund, 1 endowment
- Funded by sale of non-commercial fishing license
- Lifetime license fund the endowment
- Jointly managed with WRC

- Marine Fisheries Commission

- 17 advisory committees

Museum of Natural Science

- 200,000 square foot main facility in Raleigh
- 2 satellite facilities
 - Museum of Forestry in Whiteville
 - Prairie Ridge Eco-station in Raleigh
- Supported by General Fund Appropriation
 - Numerous small activity-based special funds
- Nature Research Center
(opening Spring 2012)



FY 2011-12

Total Expenditures:	\$ 11.8 M
Total Revenue:	\$ 580 K
General Fund:	\$ 11.1 M

Parks & Recreation

FY 2011-12*

Expenditures:	\$ 39.6 M
Revenue:	\$ 16.2 M
General Fund:	\$ 23.4 M

* Excludes Parks & Recreation Trust Fund

Purpose of Trust Fund

- Improve the **state's park system** (65%)
- Provide grants for **local governments** (30%)
- Improve public **access to the state's beaches** (5%).

- 34 state parks
- 4 state recreation areas
- System of state natural areas dedicated to natural resource protection

FY 2011-12

Expenditures:	\$36.1 M
Revenue:	\$20.7 M

Conservation Trust Funds

Parks & Rec. Trust Fund

- State park system improvements (65%)
- Local government grants (30%)
- Public beach access grants (5%)
- Funding Sources:
 - 75% of the deed stamp tax
 - Personalized license plates (\$5/plate)
 - Interest earnings

FY 2011-12

Expenditures: \$36.1 M

Revenue: \$20.7 M

Natural Heritage Trust Fund

To serve as a funding source for state agencies to acquire and protect land with outstanding natural or cultural heritage value

- Funding Sources:
 - 25% of the deed stamp tax
 - Fees from specialty license plates (\$5/plate)
 - Interest earnings

FY 2011-12

Expenditures: \$ 11.8 M

Revenue: \$ 4.3 M

NC Zoo

- 500 developed acres
 - Nearly 2,000 owned
- Over 700,000 visitors annually
- Home to ~1,100 individual specimens representing more than 200 species.

FY 2011-12

Expenditures:	\$ 18.8 M
Revenue:	\$ 6.7 M
General Fund:	\$ 10.8 M

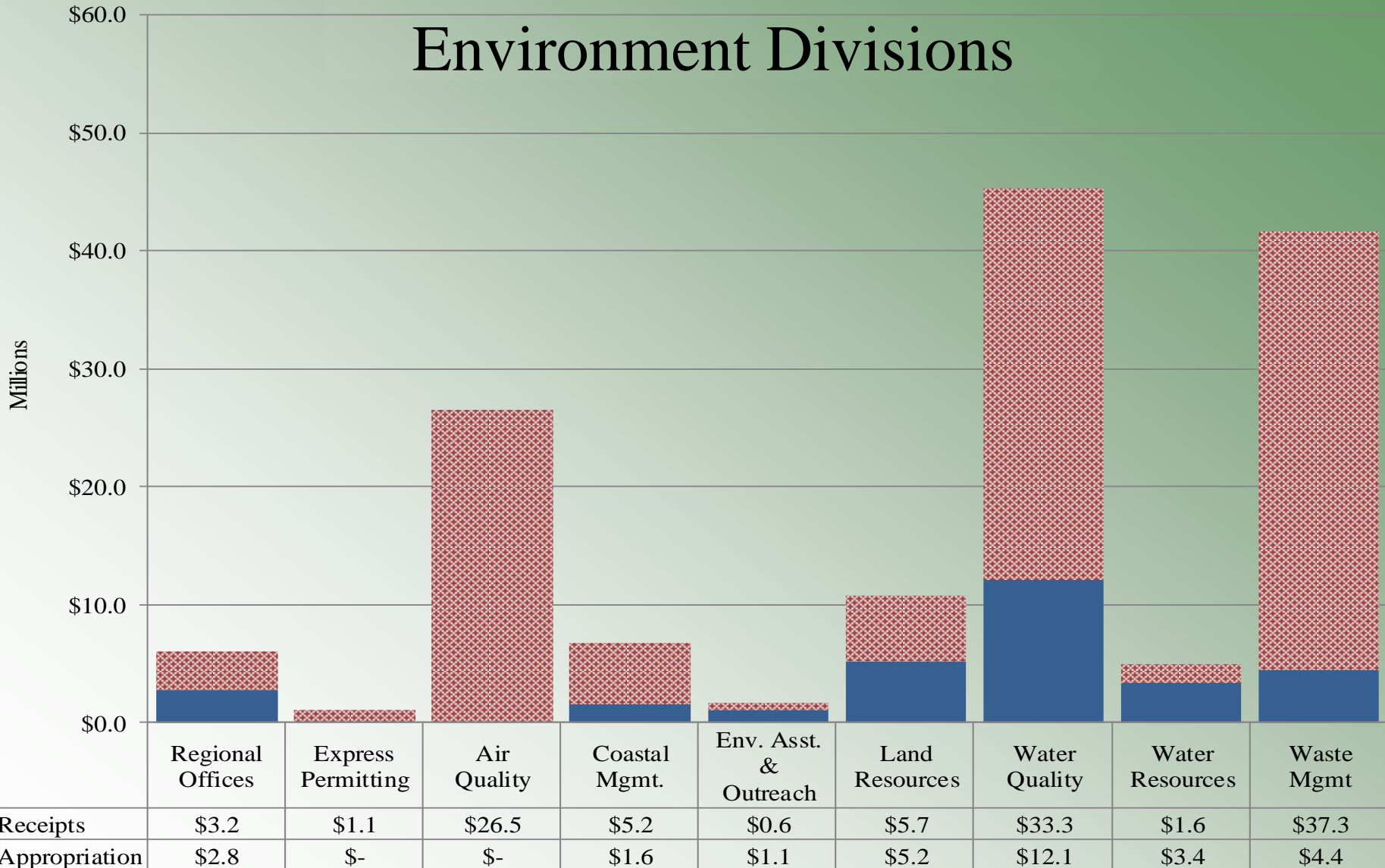
- Zoo Special Fund
 - G.S. 143B-336.1
 - Funded by over-realized receipts



ENVIRONMENT

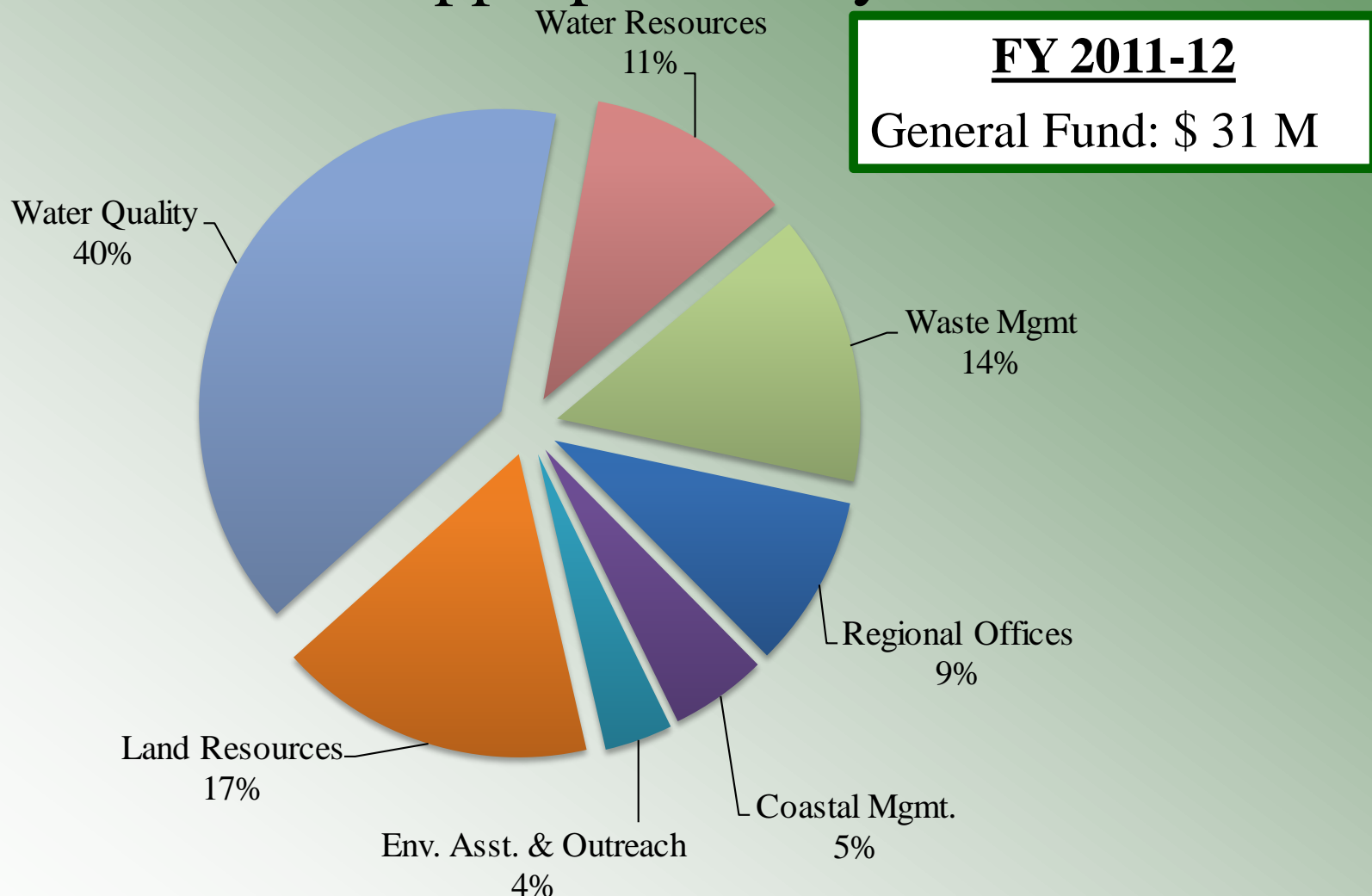
DENR

Environment Divisions



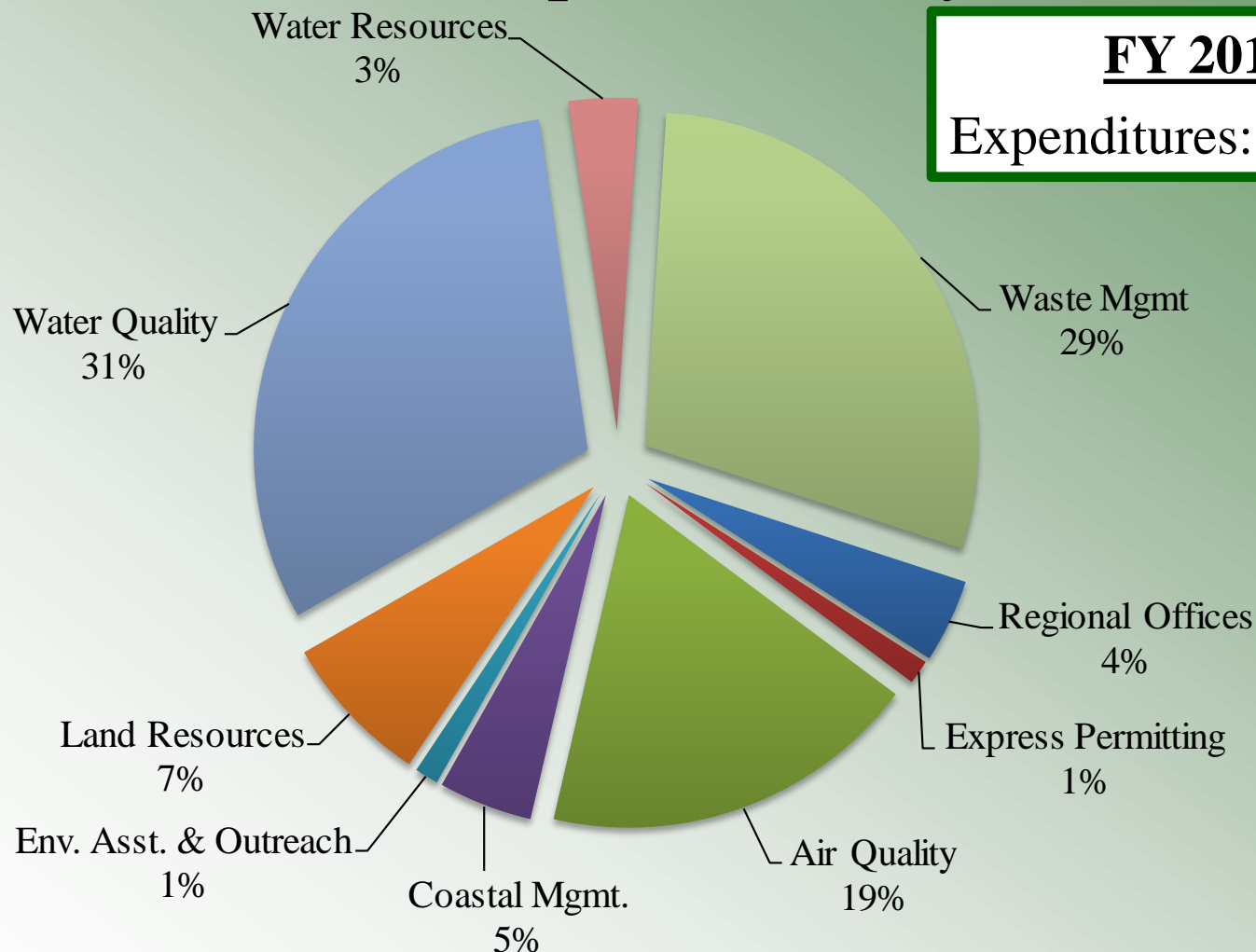
DENR - Environment

FY 2011-12 Appropriation by Division



DENR - Environment

FY 2011-12 Expenditures by Division



Regional Offices



- 7 locations – regional staff perform the Department's duties on a local level

FY 2011-12

Total Budget: \$ 6.0 M

Total Receipts: \$ 3.2 M

General Fund: \$ 2.8 M

Division of Air Quality

- Permit and inspect stationary air emissions sources
- Work with inspection programs for motor vehicles
- Monitor air quality and establish standards
- Educate and inform the public
- Develop State Implementation Plans (SIP) in non-attainment areas

FY 2011-12

Total Budget: \$ 27.3 M

Receipts: \$ 26.5 M

Division of Coastal Management

- Administers coastal development permits (CAMA)
- Manages Coastal Reserve Program
- Provides grants for
 - public beach and coastal waterfront access
 - installation of marine sewage pump-out stations
- Assists local governments with land use planning



FY 2011-12

Total Expenditures:	\$ 6.8 M
Total Revenue:	\$ 5.2 M
General Fund:	\$ 1.6 M

Division of Environmental Assistance & Outreach

- New division created in FY 2010-11: Pollution Prevention & Environmental Assistance + Customer Service Center
- Provides non-regulatory technical assistance on the elimination, reduction, reuse and recycling of wastes and the conservation of water and energy

FY 2011-12

Total Expenditures: \$ 1.7 M

Total Revenue: \$ 0.6 M

General Fund: \$ 1.1 M

Division of Land Resources

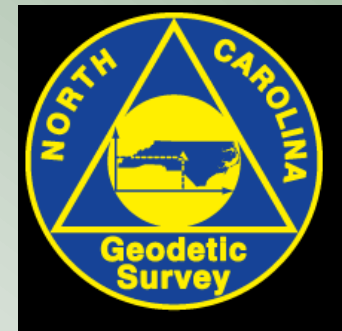
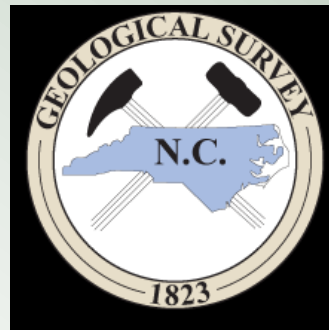
- Geodetic Survey
- Geological Survey
- Land Quality:
 - Sediment & Erosion Control
 - Dam Safety
 - Mining Program

FY 2011-12

Total Expenditures: \$ 11.0 M

Total Revenue: \$ 5.7 M

General Fund: \$ 5.2 M



Division of Water Quality

- Classify all waters for best intended use
- Sample waters
- Operate environmental laboratory
- Issue permits & enforcement actions
- Monitor animal operations
- Issue river basin reports
- Provide financial and technical assistance to publicly-owned wastewater facilities

FY 2011-12

Total Expenditures:	\$ 45.8 M
Total Revenue:	\$ 33.3 M
General Fund:	\$ 12.1 M

Division of Water Resources

- River basin management
- Water supply assistance
- Water conservation
- Water resources development



FY 2011-12

Total Expenditures:	\$ 5.0 M
Total Revenue:	\$ 1.6 M
General Fund:	\$ 3.4 M

Division of Waste Management

- Solid Waste Section
- Hazardous Waste Section
- Superfund Section
- Underground Storage Tank Section
- Brownfields Program



FY 2011-12

Total Expenditures:	\$ 43.0 M
Total Revenue:	\$ 37.3 M
General Fund:	\$ 4.4 M

DWM: Solid Waste Section

- Regulates management of solid waste through:
 - Technical assistance & environmental monitoring
 - Regulations
 - Permitting
 - Compliance evaluation/enforcement
- Waste types handled at these facilities:
 - Municipal solid waste
 - Industrial waste
 - Land-clearing waste
 - Construction/demolition waste
 - Medical waste
 - Compost
 - Septage
 - Scrap tires

DWM: Hazardous Waste Section

- Facilities that process waste defined as hazardous
 - Permits treatment, storage, and disposal facilities
 - Regulates generators, transporters, and transfer facilities
- Also administers:
 - Mercury Switch Removal Program
 - Resident Inspector Program
 - Financial Assurance Program

DWM: Underground Storage Tank (UST) Section

- Enforces UST regulations
- Manages funds to perform & reimburse cleanups of petroleum UST discharges/releases through:
 - Commercial Cleanup Fund
 - Noncommercial Cleanup Fund

DWM: Brownfields Program

- Economic development tie-in
 - Assists prospective developers of sites
- Brownfields Agreements:
 - To assist developers with abandoned, idle, or underused properties where environmental contamination hinders redevelopment
 - Defines activities to make sites suitable for reuse, rather than the minimum regulatory standards

DWM: Superfund Section

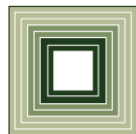
- Investigates uncontrolled & unregulated hazardous waste sites
 - Identify the risks posed by these sites, prioritize them for cleanup, and direct cleanup activities
 - Federal Remediation Branch
 - Site Evaluation and Removal Branch
 - Special Remediation Branch
 - Inactive Hazardous Sites Branch

Types of sites covered:

- Department of Defense sites
- Dry-Cleaning Solvent Cleanup Act (DCSA) Program sites
- National Priority List (NPL) Sites – designated by the EPA
 - 37 NPL sites in NC currently being cleaned up
- Inactive Hazardous Waste Sites
 - Sites that are not included on EPA National Priority List
 - Approx. 2,500 in NC, incl. 676 pre-regulatory “old” landfills



Overview of ARRA Funding



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

American Recovery and Reinvestment Act (ARRA)

- Signed into law by President Obama on February 17, 2009
- Purpose:
 - Preserve/create jobs and promote economic recovery
 - Assist those impacted by the recession
 - Spur technological advances in science and health
 - Invest in infrastructure
 - Stabilize state and local government budgets
- Approx. **\$787 Billion** total funding:
 - Direct allocation to existing & new programs at the state and local government levels
 - Tax cuts
 - Competitive grants

Programmatic Areas of ARRA:

- State Fiscal Relief
- Infrastructure & Science
- Protecting the Vulnerable
- Health Care
- Education & Health Care
- Energy

Who Received ARRA Funds?

- Federal Agencies
- State Agencies
- Local Governments
- Non-Profits
- Private Companies
- Individuals

Distribution of ARRA Funds to States

- Two key funding streams for states:
 - **State Fiscal Stabilization Fund (SFSF)**
 - Administered by US Department of Education ; allocated by formula
 - Intended to stabilize state and local government budgets in order to minimize layoffs and disruptions in education and other essential public services
 - 81.8% must be used for primary, secondary, and post-secondary education
 - 18.2% must be directed toward other public services, including public safety
 - **Medicaid Federal Medical Assistance Percentages (FMAP)**
 - Provided a temporary increase to states in the federal share of Medicaid cost, based on states' unemployment increases for each quarter
 - North Carolina qualified for the maximum increase, raising its FMAP from 64.6 percent to 74.5 percent for FY 2009-10

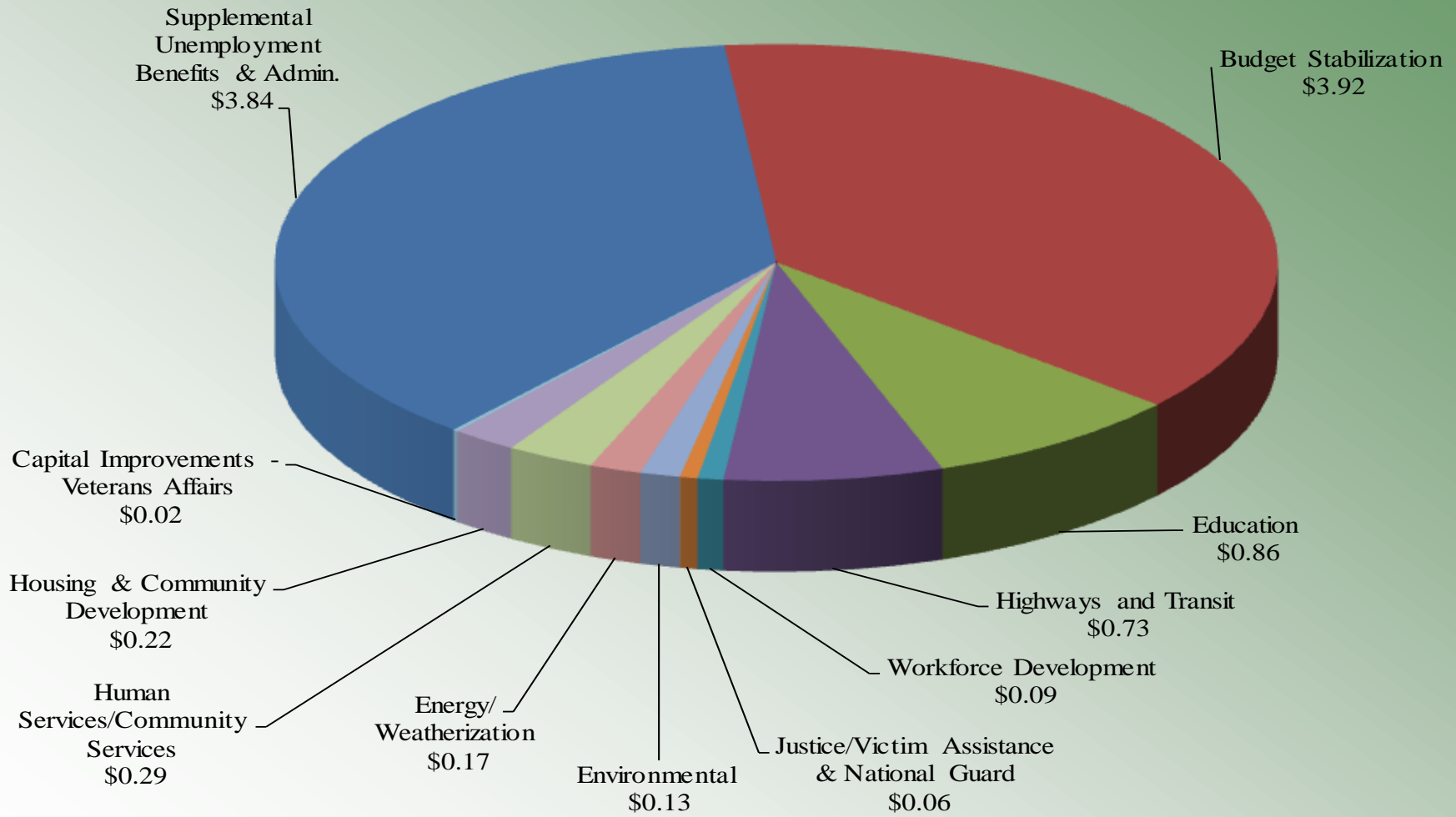
Federal ARRA Fund Disbursements to the State of NC through 1/31/2012

Department/Agency	Grant Category	Disbursements	% of Total
ESC	Supplemental Unemployment Benefits & Administration	\$ 3,843,213,605	37.2%
DHHS/Governor's Office	Budget Stabilization	\$ 3,916,928,474	37.9%
DPI/Governor's Office	Education	\$ 860,511,157	8.3%
DOT	Highways and Transit	\$ 728,233,781	7.1%
Commerce	Workforce Development	\$ 85,182,119	0.8%
CCPS/DOJ	Justice/Victim Assistance	\$ 32,271,460	0.3%
DENR	Environmental	\$ 132,374,291	1.3%
Commerce	Energy/Weatherization	\$ 171,657,146	1.7%
DHHS	Human Services/Community Services	\$ 292,649,587	2.8%
Commerce/HFA/OERI	Housing and Community Development	\$ 216,557,171	2.1%
CCPS/DOJ	National Guard Facilities	\$ 26,893,683	0.3%
Commerce/DACS/DHHS/DCR	Other	\$ 4,873,767	0.0%
DOA-Veterans Affairs	Capital Improvements - Veterans Affairs	\$ 15,403,687	0.1%
TOTAL		\$10,326,749,928	100%

Source: NC Office of Economic Recovery & Investment

Total ARRA Disbursements to the State of North Carolina, in Millions Through 1/31/2012

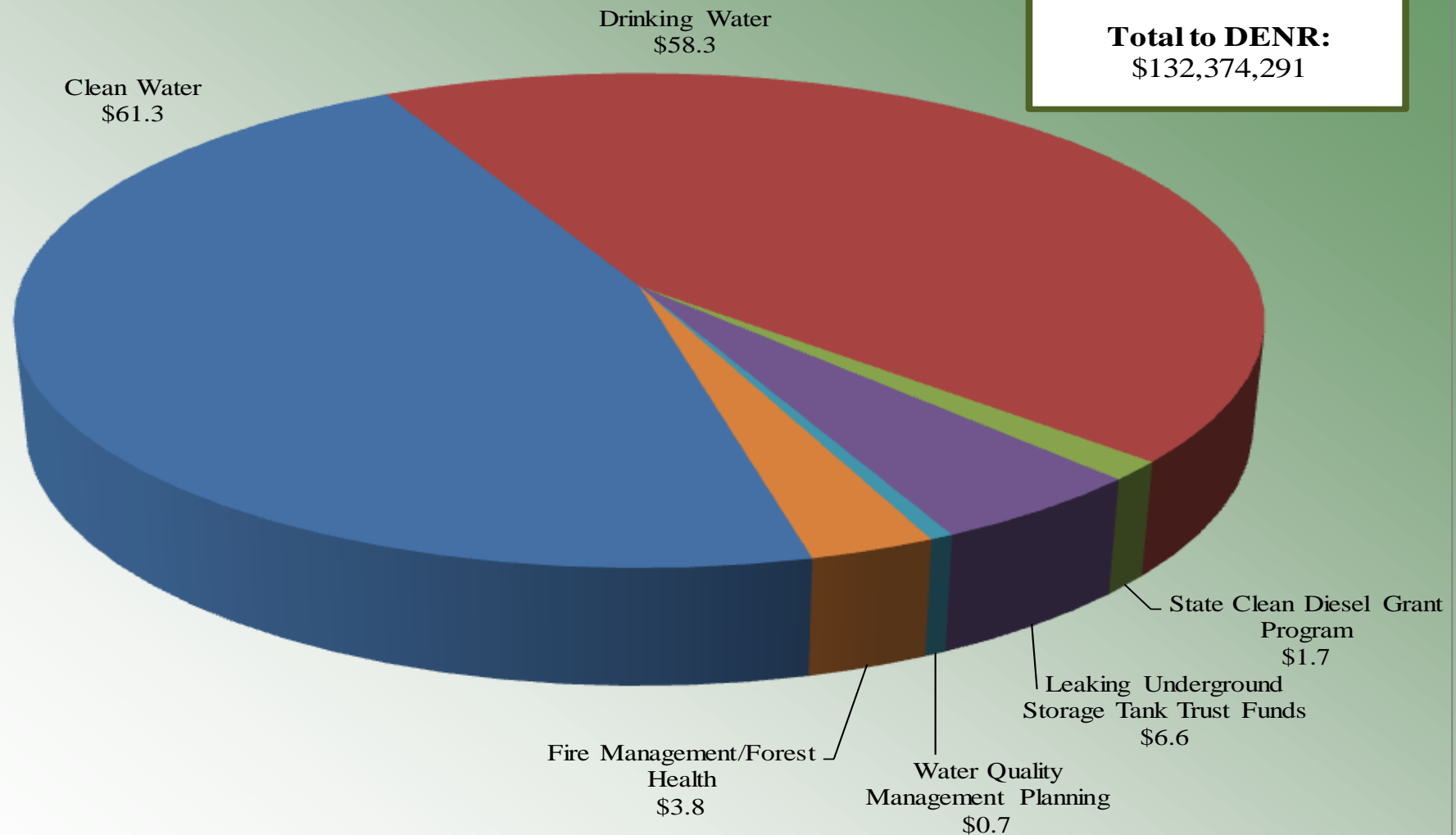
Total:
\$10,326,749,928



Federal ARRA Fund Disbursements to the State of NC through 1/31/2012:
North Carolina Department of Environment and Natural Resources (DENR)

Grant Title	Disbursements	% of Total
Clean Water	\$ 61,329,499	46.3%
Drinking Water	\$ 58,303,068	44.0%
State Clean Diesel Grant Program	\$ 1,730,000	1.3%
Leaking Underground Storage Tank Trust Funds	\$ 6,657,075	5.0%
Water Quality Management Planning	\$ 675,242	0.5%
<i>Fire Management/Forest Health</i>		
Hazard Mitigations Programs/Wildland Fire Management	\$ 2,005,630	1.5%
Wildland Fire Management/Regional Longleaf Pine Restoration Initiative	\$ 1,475,781	1.1%
Forest Health/Bridge Mats and Stream Restoration	\$ 167,204	0.1%
Wildland Fire Management/Grandfather District Hazardous Fuels	\$ 30,792	0.0%
Wildland Fire Management/Croatan Ranger District Hazardous Fuels	\$ -	
Invasive Species Control/Grandfather Ranger District	\$ -	
TOTAL	\$ 132,374,291	100%
<i>Source: NC Office of Economic Recovery & Investment</i>		

Total ARRA Disbursements to DENR, in Millions Through 1/31/2012

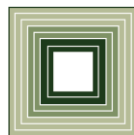




Claire Hester
Fiscal Research Division

claire.hester@ncleg.net

(919) 733-4910



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly